

Stock Index Performance

Index	Week	YTD	12-mo.	2011	5-yr.
Dow Jones Industrial Avg. (12,119)	-2.64%	0.39%	1.36%	8.41%	0.38%
S&P 500 (1,278)	-2.96%	2.57%	-0.61%	2.12%	-1.49%
NASDAQ 100 (2,459)	-2.68%	8.44%	6.98%	3.69%	5.77%
S&P 500 Growth	-2.91%	3.62%	2.47%	4.70%	1.50%
S&P 500 Value	-3.02%	1.32%	-3.88%	-0.48%	-4.53%
S&P MidCap 400 Growth	-4.26%	3.33%	-6.83%	-0.95%	2.86%
S&P MidCap 400 Value	-3.85%	1.69%	-6.67%	-2.40%	-0.89%
S&P SmallCap 600 Growth	-3.42%	1.62%	-4.51%	3.67%	1.80%
S&P SmallCap 600 Value	-3.94%	-0.33%	-3.99%	-1.34%	-1.72%
MSCI EAFE	-2.73%	-5.26%	-21.50%	-12.14%	-7.74%
MSCI World (ex US)	-2.29%	-4.43%	-21.39%	-13.71%	-5.99%
MSCI World	-2.93%	-1.33%	-11.67%	-5.54%	-4.56%
MSCI Emerging Markets	-0.80%	-1.29%	-21.33%	-18.42%	-0.54%

Source: Bloomberg. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 6/01/12.

S&P Sector Performance

Index	Week	YTD	12-mo.	2011	5-yr.
Consumer Discretionary	-3.59%	7.39%	7.57%	6.24%	2.48%
Consumer Staples	-2.08%	2.96%	7.20%	14.03%	6.61%
Energy	-4.57%	-9.56%	-14.60%	4.72%	-0.47%
Financials	-3.78%	4.25%	-10.15%	-17.07%	-16.77%
Health Care	-2.50%	3.04%	2.22%	12.77%	1.42%
Industrials	-3.50%	0.60%	-4.97%	-0.59%	-1.45%
Information Technology	-2.65%	7.06%	6.96%	2.43%	3.50%
Materials	-2.50%	-0.43%	-10.75%	-9.68%	-1.72%
Telecom Services	-0.41%	8.87%	8.25%	6.33%	-0.07%
Utilities	-0.07%	0.34%	11.37%	20.02%	1.10%

Source: Bloomberg. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 6/01/12.

Bond Index Performance

Index	Week	YTD	12-mo.	2011	5-yr.
U.S. Treasury: Intermediate	0.64%	1.48%	5.44%	6.57%	6.10%
GNMA 30 Year	0.18%	1.58%	5.83%	7.97%	7.04%
U.S. Aggregate	0.85%	2.63%	7.06%	7.84%	6.83%
U.S. Corporate High Yield	-0.44%	4.51%	3.44%	4.98%	7.49%
U.S. Corporate Investment Grade	1.32%	4.66%	8.28%	8.15%	7.60%
Municipal Bond: Long Bond (22+)	0.60%	6.87%	16.47%	14.88%	5.55%
Global Aggregate	0.63%	1.32%	2.25%	5.64%	6.63%

Source: Barclays Capital. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 6/01/12.

Key Rates

As of 6/01/12			
Fed Funds	0.00-0.25%	5-yr CD	1.38%
LIBOR (1-month)	0.24%	2-yr T-Note	0.25%
CPI - Headline	2.30%	5-yr T-Note	0.62%
CPI - Core	2.30%	10-yr T-Note	1.45%
Money Market Accts.	0.46%	30-yr T-Bond	2.52%
Money Market Funds	0.03%	30-yr Mortgage	3.71%
6-mo CD	0.46%	Prime Rate	3.25%
1-yr CD	0.71%	Bond Buyer 40	4.35%

Sources: Bankrate.com, iMoneyNet.com and Bloomberg.

Market Indicators

As of 6/01/12	
TED Spread	40 bps
Investment Grade Spread (A2)	263 bps
ML High Yield Master II Index Spread	716 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 5/23/12				
	Current Week		Previous	
Domestic Equity	-\$7.199	Billion	-\$3.446	Billion
Foreign Equity	\$184	Million	-\$117	Million
Taxable Bond	\$1.902	Billion	\$5.983	Billion
Municipal Bond	\$888	Million	\$1.242	Billion

Change in Money Market Fund Assets for the Week Ended 5/30/12				
	Current Week		Previous	
Retail	-\$4.27	Billion	\$1.83	Billion
Institutional	\$12.13	Billion	-\$0.58	Billion

Source: Investment Company Institute

Factoids for the week of May 28th – June 1st

Monday, May 28, 2012

Memorial Day Holiday, Markets Closed

Tuesday, May 29, 2012

Companies have been cutting their expenditures on stock buybacks, while increasing capital spending. Buyback announcements averaged around \$1.1 billion per day in April and May, the lowest level since mid-2009, according to data compiled by Bloomberg and TrimTabs Investment Research Inc. Bruce Bittles, chief investment strategist at Robert W. Baird & Co., believes that companies and investors are "best served" when cash is used to bolster capital investment, according to Yahoo! Finance. Capital expenditures rose 38% from June 2010 through March 2012, the fastest rate since June 2006, when stocks were in the midst of a five-year bull market, according to Bloomberg.

Wednesday, May 30, 2012

There were 70 "all or nothing trading days" in 2011, surpassing the previous high (since 1990) of 52 in 2008, according to Bespoke Investment Group. All or nothing days occur when the daily A/D reading in the S&P 500 exceeds plus or minus 400. A large number of all or nothing days reflect a higher level of volatility. While there were no all or nothing days through the first two months of 2012, the markets experienced 10 of them from February 29 through May 23. The average since 1990 was 15 per year. From 1990-2006, the average was 5 per year.

Thursday, May 31, 2012

Investors seeking growth opportunities should pay attention to what is transpiring in the biotechnology sector. Year-to-date through 5/30, the NYSE Arca Biotechnology Index and NASDAQ Biotechnology Index were up 32.65% and 19.24%, respectively, compared to a gain of 5.38% for the S&P 500. Both the U.S. and China just announced policies to "fast-track" biotech initiatives, according to Fiercebiotech.com. In the U.S., both the House of Representatives and the Senate have passed bills (seeking to merge them by October 1) to expedite the FDA's approval process for new drugs. China has chosen biotechnology as one of its top industries for capital investment. *China Securities Journal* estimates that the country's biotech industry will reach \$630 billion by 2015.

Friday, June 1, 2012

In May, the dividend-payers (399) in the S&P 500 (equal weight) posted a total return of -6.74%, vs. -9.60% for the non-payers (101), according to Standard & Poor's. Year-to-date through May, the payers were up 3.53%, vs. a gain of 2.88% for the non-payers. For the 12-month period ended May, payers were down 4.22%, vs. a loss of 14.18% for the non-payers. The number of dividend increases y-t-d totaled 181, up from 177 a year ago. Four dividends were cut, up from two a year ago. Eight companies initiated a dividend, down from 13 at this point a year ago.